

Statement of Robert D. Collet
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House Committee on Government Reform
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Good morning Chairman Davis and Members of the Committee on Government Reform. My name is Bob Collet. I am the Vice President of Engineering and Chief Technology Officer of AT&T Government Solutions. I also lead AT&T's FTS Networkx proposal team. My remarks today respond to the Committee's questions regarding FTS Networkx benefits and GSA's ability to manage the program. We believe the procurement is on track, that the changes made since the RFI was issued last October are positive, and that the benefits that Networkx can bring to the government should not be delayed. The procurement should stay on schedule and move forward as expeditiously as possible.

The first question in the Committee's letter of invitation was whether the revised acquisition strategy as proposed by GSA will be effective in today's telecommunications environment. The answer to that question is, "yes." Through the Universal suite of products, GSA will deliver three key things: (1) a vehicle that enables continuity of service; (2) products that anticipate future agency needs; and, (3) choices and continuous competition. For those agencies that do not require the comprehensive suite of services under the Networkx Universal track, there will be the data network and wireless-based Enterprise tracks. And, when GSA establishes a telecommunications Multiple Award Schedule, there will be an easy-to-use vehicle for obtaining off-the-shelf services, similar to what users experience today on the Defense

Information Technology Contracting Office's bulletin board. Agencies will be able to quickly purchase commodity items from a wide range of sources.

The Committee's second question focused on GSA's ability to execute the proposed strategy. We believe that GSA is capable of executing both the Universal and Enterprise strategies if they are provided adequate resources. Managing a handful of Universal contracts and a larger number of Enterprise contracts would tax the management capabilities of any agency. The complexity is compounded if all Universal and Enterprise contracts provide up to 53 types of network services. We recommend GSA award only the number of contracts that it guarantees it can manage well in terms of contract administration with respect to its vendors and service to customer agencies.

The last question posed by the Committee addresses the program's attractiveness to agencies in terms of best value. If the gist of the question is whether the Networx procurement is designed to give GSA, and hence the agencies, the right products at the best industry prices, then the answer is, "yes." The federal government, as a large-scale buyer, has tremendous purchasing power. We believe that agencies will be satisfied with GSA's acquisition strategy because it will yield competitive sources for a broad range of telecommunications, hosting and application services. AT&T has consistently stressed the importance of strong security and continuity of operations components. The current procurement addresses these requirements and will bring robust value to the agencies. With GSA maintaining and expanding its portfolio of networking and hosting security services, agencies can achieve a rating of "green" on the Federal Information Security Management Act scorecard. By requiring contractors to provide National

Security and Emergency Preparedness services, including disaster recovery for wireline and wireless communications, an agency can also obtain “green” on the Continuity of Operations scorecard. Finally, with regard to billing, even though GSA reduced the required number of billing elements by 70%, the remaining elements will provide agencies with the billing detail they need to effectively run their businesses.

With the changes that have been made to date, GSA has the right vision for the Networkx procurement. Today, Federal agencies are faced with increasingly demanding missions in an environment of fewer funds and resources. These dual challenges will persist throughout the life of the Networkx contracts. Mission performance within these constraints will require a quantum leap in agency productivity. The Administration’s E-Government initiatives, now being led by the OMB and the agency CIOs, will provide the means for major productivity improvements and an increasingly citizen-centered and results-oriented government.

With FTS Networkx, GSA, as OMB’s partner providing key networking, hosting and applications under a Federal Enterprise Architecture, has a unique opportunity to support the implementation of E-Gov services. As corporations are working to obtain increases in productivity through extensive use of the web and information technology to enable greater intra- and inter-company collaboration, so too are Federal agencies. However, it is important to note that, while much progress has been made, both industry and government are a long way from obtaining this important outcome.

For example, the Defense Information Systems Agency (DISA) is building a Global Information Grid, or GIG, to enable DOD's business applications to run anywhere by taking advantage of computing, storage and network services on-demand. Unlike today's web technology that requires a human to search web sites and interpret the results, DOD's network centric enterprise services will employ web technologies that allow machines, themselves, to conduct transactions over the web. To obtain substantial productivity benefits, AT&T and other technology companies are also building next generation business systems. To achieve this capability, government and industry are jointly working towards two key objectives:

- 1) Moving data, business logic and services from owned, stove-piped hardware and software to the web so that information can be easily and securely shared across organizations.
- 2) Collapsing multiple voice, data and video networks into a single, converged network to substantially reduce ownership and operational costs. Convergence will also yield new capabilities such as more robust support for mobile users and networks, video messaging, and massive, flexible, secure networks.

These two key transformations, and their integration, will not happen overnight. In addition to building our own next generation business systems, AT&T Labs is privileged to be working closely with DISA on the GIG. On the basis of that experience, we believe the FTS Networx Universal program has the breadth and depth of scope to achieve the next generation web services and converged network transport. We also conclude the proposed scope of the acquisition will bring competing contractors the ability to properly and optimally integrate the necessary systems and components.

In summary, AT&T supports the FTS Networx strategy provides a compelling vision. It should be viewed as responsive to the needs of the agencies since it requires contractors to be

competitive throughout the life cycle of the contract. It offers agencies a low-risk means for achieving the transformations that will enable information sharing throughout the government. The government should expect AT&T to submit competitive bids for both the Universal and Enterprise options of the Networx procurement. We look forward to bringing the government the benefits of our extensive investments in the network, in security and continuity of operations services, and in applications services and back-office systems to give agencies a quantum leap in productivity and to make America stronger and more secure.

Thank you, Mr. Chairman, for the invitation to appear before the Committee. I appreciate having this opportunity to share AT&T's views on this important matter, and welcome any questions that you or other members of the Committee might wish to ask.